UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

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Distr.
RESTRICTED

E/ECA/TRADE/88/3
16 February 1988

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Regional Workshop on Integration of Women
in Trade and Commerce

Niamey, Niger, 31 March - 2 April 1988

THE ROLE AND CONTRIBUTION OF AFRICAN WOMEN IN DOMESTIC TRADE

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I. INTRODUCTION

1. African women have historically and traditionally played an important role in domestic or internal trade. 1/ Historically women have always been the motivation behind the success of the daily, bi-weekly or weekly traditional markets. Traditionally, the African women constitute the backbone of the rural economies and trade constitutes an important element of the economic activities. This is significant when account is taken of the fact that in many countries, about 80-85 percent of the total population live in the rural areas largely outside the monetized economy.

2. The question of women's involvement in domestic trade is of special interest to Africa due to the fact that women, on their own, play a significant role in this particular field. Furthermore, their participation in the economic life of a country and their contribution to the Gross Domestic Product (GDP) is critical and has a direct impact on the economic and social structures of the African nations. Because of this fact and their numerical significance as a proportion of the economically active part of Africa's populations, the important role women have played and continue to play in Africa's development process needs be given more prominence in the policies and planning process of African countries than has hitherto been the case.

3. The purpose of this study is to analyse the issues relating to the nature and role played by women in African domestic trade based on available statistical data. It gives an assessment by inference to the observed level of women's involvement in trade and the analysis highlights the specific activities undertaken by women, the reasons for their involvement, their level of activity, the problems they encounter and some of the measures that are required to promote their activity and enhance their role in society.

II. GENERAL ISSUES OF DOMESTIC TRADE IN AFRICA

4. In order to situate properly the role of women in domestic trade, it seems necessary to give a general picture of domestic trade in Africa. Recent investigations show that, in most African countries, domestic trade has not received the attention it deserves despite the catalytic role that it can play to ensure real economic development in Africa. Indeed, a dynamic and organized system of domestic trade is a key element in boosting production, thereby promoting job creation, the distribution of income and the development of welfare in general since it facilitates producers' access to local raw materials or other inputs. It also provides access to markets and makes possible the satisfaction of consumers' needs. The reinforcement of domestic trade structures is therefore a pre-condition to the expansion of other forms of trade(intra-African and external).

1/ Domestic (internal) trade relates to the movement of commercial goods and services within the national boundaries of a country e.g. rural/urban, inter-urban or intra-rural.

5. Modern Economic history gives ample evidence to suggest that the nations with well developed internal trade structures also tend to have a faster rate of economic growth. By the same token, the low level of domestic trade in African countries and its rudimentary structures, particularly with respect to rural areas, have been identified as a major cause of the slow growth of African economies. The underlying assumption is that the rural areas, where between 80 and 85 percent of African population live, are a potential market for consumer goods from African industries which are presently producing below capacity. This potential is however not exploited because African rural areas remain isolated outposts for lack of road and transport infrastructure. Invariably all rural areas continue to survive in a subsistence economy, with the people living almost in autarkic communities. Trade flows, if any, are virtually in one direction: there is an outflow of agricultural commodities for export as cash crops while the inflow, if any, consists of a few manufactured consumption goods, like oil, soap, salt, sugar.

6. While most African countries recognize the need to expand domestic markets as a concrete step in promoting internally generated and self-sustaining growth, the high cost of developing the necessary road and transport infrastructure in support of domestic trade presents considerable problems. Trade in rural areas is therefore generally accorded very low priority in resources allocation and activity is highly concentrated in urban areas where the average purchasing power is much higher than in rural areas. A large proportion of African populations is therefore isolated and derives little or no benefit at all from national socio-economic development. Domestic trade structures therefore reflect the dualism which characterizes African economies in general where the distribution network in urban areas is easier due to existence of adequate road and transport facilities.

7. The development of distribution structures for domestic trade to satisfy the needs of rural consumers and producers involves the integration of the rural sector into national development and requires large investment resources. A key element in distribution is to strengthen indigenous trade operators who comprise individuals ranging from marketing agencies to petty traders. The role played by petty traders and retailers is to satisfy the small consumers which larger marketing enterprises do not cater for. There are also middlemen in the distribution who raise the price of products to the final consumer. To counter this, it must be emphasized that it is the responsibility of public authorities to facilitate the activities of private trade operators by ensuring stable, regular and reliable supply of goods particularly in rural areas where due to long distances from the centres of production the average consumer does not have a choice between several sources of supply.

8. Domestic trade in Africa is strongly linked with the agricultural sector in which women play a very important role both in terms of production and marketing. Since African economies continue to be based on agriculture, the integration of the rural communities into the mainstream of a country's economy is a sine qua non for African economic development. The monetization of subsistence agriculture is an essential step in that direction which should provide the necessary stimulus to other sectors such as transport and industry though the increased purchasing power of rural populations. Domestic trade is the vector for such development

and women's role in such trade will be enhanced through the modernization of the rural economies.

III. THE CONTRIBUTION OF WOMEN TO AFRICAN TRADE

(i) Women as trade operators

9. Traditionally, women in Africa have played an essential role in domestic trade operations and therefore in the distribution of goods to the population. Women continue to be highly involved in the informal trade sector which ensures the distribution of basic goods to a large part of the population. Trade also provides women with the much needed income for their family including the education and overall support of the children. The importance of women in trade can be appreciated by noting that in many African countries, women represent about 50 percent of the labour force engaged in the sector 2/ with shares varying from 2 percent in Algeria to 88 percent in Ghana 3/. According to an ECA report on African women's participation in food related activities 4/, their share in Africa as a whole accounts for 70 percent in food production and 60 percent in its marketing. It is also noted that "regions where women dominate in food trade are usually those characterized by female farming tradition" 5/. This degree of participation of women to trade varies according to the society to which women belong. For instance, in Moslem countries, women's participation in trade activities is estimated at less than 1 percent 6/. However, even then, they often play an active role without being visible, using children as "go-betweens" to deliver their products (processed foods) to the market place 7/.

10. Women's role in the trade sector as noted in African countries varies depending on the location and on their involvement in the production of the goods themselves. It is therefore necessary to examine where women traders operate, i.e. on which types of markets, and in what types of goods they are trading. For the purpose of this analysis, two broad categories of markets are identified: (a) urban and modern markets and (b) rural and traditional markets. They correspond broadly with the formal (urban and modern) and the informal (rural and traditional) trade sectors. This distinction is however not a very strict one. In most African countries the modern commercial sector is generally confined to urban areas.

2/ See Ester Boserup,"Woman's Role in Economic Development", Gower Publishing Company Ltd., England, 1986.

3/ "World Survey on the Role of Women in Development" Document A/CONF.116/4/ Rev.1: ST/ESA/180. United Nations Publications. Sales No. E.86.IV.3.

4/ "The Role of Women in Population Dynamics Related to Food and Agriculture and Rural Development Africa" - ECA/FAO -1974.

5/ See (1) p. 91

6/ See (1) p. 88

7/ "Women in Agriculture, No.3, Women in Food Production and Food Security in Africa" by Jennie Dey. FAO, Rome 1984 - p.12 and 27.

In other countries modern businesses and informal or traditional shops co-exist side-by-side in towns although each type has a different target in terms of clientele. They are a clear expression of the "economic dualism" which was referred to earlier. The higher average purchasing power of urban populations, the concentration of modern productive units (industry) and of infrastructure, as well as investments in general, around towns, have favoured the development of modern markets in urban areas only while the products from the agricultural sector and cottage industries tend to be sold in traditional markets.

11. There is ample evidence to show that women engaged in trade are found in the informal or traditional sector both in rural and urban areas. The reasons for the high representation include the ease of access typified by the non requirement of any special qualifications and a relatively small capital outlay which is required to start trading operations. For the same reasons, few women are involved in the wholesale trade and, in modern businesses, they form an insignificant proportion of the shop assistants who are mostly men 8/.

12. In the traditional sector, women work on a part-time basis or are self-employed; in most cases they also market their own products 9/. The quantities they handle are rather small, which explains why women often belong to the category of petty traders. They carry small stocks of goods either because of their limited surplus production or because of lack of working capital or proper storage. The products traded by women are a function of the types of markets in which they operate. In Africa, trade generally follows a single pattern: most manufactured and imported goods are sold in modern shops in the formal sector, although some of these goods like fertilizers, simple hand tools, plastics and tinware are also sold in rural markets while some consumer goods find their way to border markets. Agricultural produce, on the other hand, generally moves from rural areas to urban markets or from part of transborder trade. Local trade in rural areas is relatively low in terms of quantities and value but important for rural populations since it provides essential goods like agricultural produce and foodstuffs and commodities like oil, salt, sugar, spice and primary health care medicines. In most African countries the local markets are centres of intense trade activities where women are involved in selling a wide variety of goods including food, spices and agricultural products, vegetables, pulses etc. The same is true in what may be termed the rag trade involving tied dyed material, embroidered ready made dresses and children's clothing. Women traders in most African countries can therefore be considered as the main link in the food distribution chain while in the clothing and textile trade, their role is marginal.

8/ See (1) p. 92

9/ In rural markets the distinction between buyers and sellers is not always clear since many sellers use the cash they receive to buy other goods on the same markets before travelling back to their villages.

13. In the urban areas on the other hand, women are also involved, on a small scale, in formal trading activities in self-employed businesses. They run small well organised shops in the form of "boutiques" for more fashionable types of clothing, handicrafts, cosmetics, jewellery and other products of interest essentially to women such as shoes. The scope of such businesses is very limited and trade is confined to the local areas within the municipalities, with limited prospects for expanding to other localities or even to neighbouring countries.

14. From the above, one can classify women traders operating in the domestic trade sector according to three main broad categories:

(i) rural women (farmers) who sell their own surplus production. They are always part-time traders and self-employed and operate solely in their rural environment;

(ii) unskilled women in the urban areas or migrants to urban areas who trade mainly agricultural produce and simple clothing and handicrafts;

(iii) modernized urban women traders with various levels of skills and capital who are involved at all levels of trade in essentially modern goods for the more sophisticated women 10/. They are usually self-employed but many of them also employ other women as helpers.

15. Although this paper largely concentrates on domestic trade, it should be noted that women play a small but growing role in international trade in some parts of Africa. Indeed, some women are major exporters and importers of various types of articles - like textiles and jewellery - in West Africa. This trade belongs to the informal sector and takes place mainly at intra-African level particularly in border areas with neighbouring countries. In recent years, women do travels to centres in Europe and South Africa to import goods for sale. Such trade does not, however, take place in the modern sector of the economy through organized export procedures required in modern businesses. Rather women involved in this trade often work both as wholesale distributors and retailers for a particular type of article and are self-employed. Their activities, even if not officially registered, are an element of intra-African and external trade.

(ii) Women traders' motivations

16. Evidence suggests several reasons why women become involved in trade activities. In the first place, income levels are so low in Africa that women very often need to supplement their husband's salary. In some cases, the women's earnings are the sole income of the family either because the husband is not employed or the women has no husband but a family to support. In rural areas, women are often compelled to engage in trade in order to sell their own surplus production, whereas in urban areas, women enter the sector because they lack qualifications for entry into the modern competitive labour market. Another reason for choosing trade activities

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10/ See also footnote 3.

is limited time available to women. Household tasks often take a lot of their time, particularly in rural areas. Another reason is the small amounts of capital necessary to start trading, particularly at micro-retail level.

17. A second major reason for women's direct involvement in trade is the existence of family production offering limited number of products such as printed materials,tied dyed cloths and clothing and even woven materials and cottage products such as pots and baskets. These provide enough goods for one or two women family members to set up a stall in the market place in the rural areas, even in the home. Women may also be involved in trading activities which are linked with their husband's occupation such as in small scale fishing undertakings. The wives have stalls at the fishing village to sell the day's catch. The part-time nature of the work suits the convenience of women who need time to prepare food for the family and look after the children.

(iii) Women's contribution to development

18. Due to lack of adequate information it is not easy to assess in financial terms women's contribution to the economy. Generally, most women do not keep written records of their business activities. However, women traders play an important role today in most African countries, not only because they represent a large share of the labour force in that sector but also because they are trading in food and essential products, which are consumed by the whole population. They are also very much involved in trade in rural areas, where the majority of African population is living. Although at the sectoral level, their contribution is relatively small in terms of value of goods handled and product coverage and the incomes that they draw from their commercial activities are rather limited,they nevertheless constitute the backbone of rural development. Women's contribution to the domestic trade sector and their incomes from trade activities not only form a vital element in rural development but also in many cases shape the structure of the the society.

IV. PROBLEMS FACED BY AFRICAN WOMEN IN DOMESTIC TRADE

19. A quick review of the rural economic structures shows that due to several limiting factors, women's contribution to the domestic trade sector is not proportionate to the amount of effort they put in such trade. But their role is essential - as much as their trade activities are essential in terms of source of income. It is also rather disappointing that their contribution is limited in terms of value, geographical and product coverage. Their activities are generally confined to their immediate environment and to small quantities of goods available locally.

20. Among the obstacles met by women domestic trade operators in general, the following are critical:

(i) the lack of working capital because financial institutions do not generally grant loans or provide investment to rural communities,

especially women, even where credit facilities are available, women are often required to have their husbands, fathers or uncles guarantee such credits;

(ii) the lack of information about demand and supply conditions in rural areas coupled with lack of basic education and trading skills;

(iii) the lack of infrastructure such transport and communications in rural areas which makes the access to markets difficult. There are very few interconnecting roads and transport systems between the rural areas themselves;

(iv) the poor conditions in traditional market places in general especially shelters for sellers and products, unhealthy sanitary conditions, problems arising from the lack of storage for perishable nature of most goods and lack of packaging facilities;

21. In addition to these difficulties, African women traders are confronted with other constraints which are derived from traditions and attitudes of the society to which they belong:

(i) women's role in the family restricts their mobility and therefore limits their contacts and their access to information;

(ii) in many societies, women's access to education is still restricted whereas the men are free to select the type of education they want;

(iii) the role of women traders and the importance of domestic trade having generally not received due consideration, women traders are not offered training programmes that would enable them to expand or modernise their businesses;

(iv) in some societies, women engaged in trade are considered as having doubtful moral values and this often discourages them from engaging in such activities.

22. The obstacles and constraints enumerated above have direct consequences on women's trading activities. First, most women traders are involved at petty and retail trade level only and their inability to obtain financial credit excludes them from access to wholesale activities. In addition to the infrastructural obstacles that they meet, their lack of education and of training, and their limited access to credit restricts the scale of their operations and confines these to their immediate locality. Without substantial working capital they cannot extend their business outside urban periphery. Secondly even at retail trade level, women traders usually do not have the means to diversify, expand or modernize their small businesses. They mainly handle locally available goods. In the food sector, they operate virtually on a day-to-day basis because food products, in particular vegetables, do not keep for more than a few days. The business therefore involves more risks and entails more losses because of the scarcity of adequate infrastructure for faster transportation and for storage of the goods. As a result, women traders' earnings are very uncertain.

23. The lack of available information with respect to demand for the products both in urban and rural areas, also affects the volume of trade and women's earnings especially with regard to their cottage industries and handicraft products in general. Their lack of training in handicraft production also does not help them improve the quality of their products.

24. The above analysis shows clearly that the development policy does not equip women to play their role in a changing society where consumers' requirements are increasing. The women are also not equiped to enter the modern sector where they face competition with men who receive better education and financial means. In general, governments have not fully recognized that women traders in rural areas constitute a vital link in the food distribution chain between the rural and urban sectors. Moreover, there is a general lack of appreciation that the women's role in domestic trade will not improve unless appropriate measures are taken at official level to upgrade their skills, status and earnings.

V. PRACTICAL MEASURES IN SUPPORT OF WOMEN IN DOMESTIC TRADE

25. An important prerequisite for increasing the role of women in domestic trade is that women should be fully recognized as an important category of economic agents and particularly in the rural areas. The importance of their role in domestic trade must be understood by public authorities and fully backed by adequate policies and incentives. Women traders in rural areas should be made conscious of their contribution in the process of distribution of goods both in rural areas or in the cities.

26. Among the measures to be adopted by Governments in order to overcome the shortcomings of the domestic trade sector in general, is the restructuring of trade operators' networks. A lot of intermediaries intervene successively after the wholesaler or importer and networks become so unclear that African women traders are often overwhelmed by the problems they have to surmount. It has therefore been recommended that the role of women trade operators and the terms of their admission to the trade be defined; they should also be protected against competition from well established monopolies operating the sector 11/. This re-organisation of trade operators should be done to the advantage of women trade operators, who should be offered appropriate working conditions such that they can operate more efficiently.

27. In the restructuring process of trade operators networks, the government should also see that women traders are given chances to integrate into the

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11/ For more details, see "Women Farmers in Africa", L. CREEVEY (Editor), 1986, Syracuse University Press; "L'emploi des femmes en Afrique. Rapport de synthèse dans 6 pays francophones", BIT/PECTA, Addis Abeba, 1985, Rapport du Séminaire sur le rôle et les problèmes de la femme dans la commercialisation des produits vivriers en Afrique de l'Ouest, CEA-ATRCW, ST/ECA/ATRCW/82/08, Addis Abeba; Selected statistics and Indicators on the Status of Women - Report of the Secretary-General - UN Document - A/CONF.116/10 - 3 May 1985 - World Conference to Review and Appraise the Achievements of the UN Decade for Women - Nairobi, Kenya; "World Development: The urban informal sector", Vol.6, No. 9-10, 1978.

modern trade sector and to consolidate, modernize or expand their businesses. More specifically, the following measures need to be instituted without delay:

(i) Women traders should have better access to information. This implies first, that women should have better access to education; second, that their trading skills should be upgraded as a matter of priority. This recommendation applies particularly to women traders in rural areas who have few opportunities to move around to know about supply, demand and prices of the commodities they wish to trade in. Training programmes in the different aspects of trade have to be offered to women to improve the organisation and operation of their businesses. These training programmes should also be directed in particular towards introducing the largest numbers of women in trade;

(ii) Working conditions in traditional markets, both urban and rural, should be significantly improved. In the interest of both consumers and market traders, the market's sanitary conditions as well as the shelters for trade operators and products on sale should be improved. Special attention should be given to the fact that most market traders are women often accompanied by small children whose conditions should be taken into account;

(iii) The authorities should assist financially the traders to improve their transportation and storage capabilities so as to reduce the losses arising from the perishable nature of the goods; this would be to the advantage of both market traders, who could increase their volume of trade, and consumers who would benefit from better quality goods. Women traders who work in rural markets being often the producers themselves, it would also increase the incomes that they can draw from their productive activities;

(iv) Governments should persuade commercial banks and financial houses to provide credit facilities to women traders on better terms. This implies that women's access to credit facilities will enable women to increase their participation in the modern trade sector, both at the domestic and intra-African trade levels including the possibility of entering the wholesale distribution sector;

(v) Governments should support women by assisting them to create women traders associations to make them more conscious of their role and contribution to the domestic trade sector and spread information to them about any new legislation, services or training possibilities related to trade activities. Such associations could also help them to obtain institutional guarantee; women should also be encouraged to create or joint cooperatives for marketing their products;

(vi) Finally, the chambers of commerce should be urged by governments and the women's associations to admit more women in such chambers. Women who are involved in intra-African or external trade deserve particular attention. These women possess good entrepreneurial

skills and capabilities which could be encouraged to expand or diversify their businesses. They should be encouraged to travel to neighbouring countries to establish contacts with their counterparts. The subregional intergovernmental organizations engaged in trade should be reorganised to enable women to participate in intra-African and external trade and women's trader's associations should be invited to participate in meetings of the preferential trade areas.

VI. SUMMARY OF CONCLUSIONS

28. From the foregoing several conclusions can be drawn. Firstly, domestic trade plays a catalytic role in the productive system. Domestic trade is a major vehicle for the socio-economic development of a country. Today, in all African countries domestic trade is not playing this role fully because the major part of public investments is made in the development of infrastructure (roads, transport, storage facilities, etc.) for urban centres and their peripheries. There is little satisfaction of rural consumers demand and little incentives for production in rural areas. Although the restructuring of domestic trade and the rationalisation of distribution networks have been considered by the Governments of African countries as an important development objective there is still considerable reluctance to improve the operations of the domestic trade sector and to develop the necessary infrastructure to ensure its expansion.

29. Secondly, in Africa, women play an important role as traders and they represent 50 percent of the labour force. Most of them work at retail or petty level in the informal sector. The reasons for their involvement in the trade sector are many but the need to earn incomes to support the family is a predominant reason. However their progress in the domestic trade sector is hindered by both structural, social and attitudinal obstacles. In addition, women traders' position in the sector tends to become marginal and their economic situation tends to deteriorate relative to the general socio-economic development of the country as a whole.

30. Thirdly, although women trading experience and entrepreneurship have largely been recognized, Governments measures to enhance their contribution to domestic trade have not been commensurate with the needs of the women traders. Moreover, women have not been given the chance to enter the modern sector, and appropriate training opportunities and access to new forms of credit have been denied to them. In fact, most Governments have failed until now to perceive the contribution of domestic trade to socio-economic development and to appreciate the indispensable role of women traders in that process.

31. It is essential that government measures should be designed to promote the role of women in economic development because of their numerical and social importance in the rural communities. In particular, the measures recommended in Section V should be seriously implemented.

UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.
RESTRICTED

E/ECA/TRADE/88/4
15 February 1988

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Eighth Meeting of the Committee of Experts of the North African MULPOC

Tangier, Morocco, 14-16 March 1988

Eighth Meeting of the Council of Plenipotentiaries of the North African MULPOC

Tangier, Morocco, 17-18 March 1988

LC/NAIROBI

MEASURES FOR THE ESTABLISHMENT OF A PREFERENTIAL TRADE AREA FOR NORTH AFRICA

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A. INTRODUCTION

1. The inaugural meeting of the Intergovernmental Negotiating Team of Experts (IGE) of the member States of the North African Mulpoc which took place from 9 to 11 December 1987 in Tangier, Morocco, represented the first concrete positive step towards the establishment of a Preferential Trade Area (PTA) for the North African subregion as called for in the Lagos Plan of Action adopted by the Heads of State and Government of the OAU in April 1980. That positive action resulted from the adoption of three resolutions by the Council of Plenipotentiaries of the North African Mulpoc in March 1985, April 1986 and March 1987 on trade promotion in North African which were subsequently endorsed by the ECA Conference of Ministers in its Resolution 593(XXII) of April 1987. The role assigned to the Intergovernmental Negotiating Team of Experts (INT) was to determine the modalities for the establishment of the proposed preferential trade area.

2. With the above mandate, the inaugural meeting of the IGE considered the various issues relating to the establishment of the PTA 1/. The INT redefined its role in more precise terms in order to respond fully to the mandate, received. Its main tasks were:

(a) to undertake all relevant negotiations leading to the preparation² of a draft treaty of the PTA for adoption by the Ccuncil of Plenipotentiaries of the Mulpoc;

(b) the preparation of 11 separate protocols defining the various areas for cooperation among the countries of the subregion and;

(c) to submit to the Council of Plenipotentiaries any other proposals which would contribute to the establishment of the PTA and a clearing and payments system as well as other protocols which may be considered necessary for initial action towards the establishment of a future economic community of the North African countries.

3. The meeting further established a calendar of meetings for undertaking the negotiations leading to the preparation of the draft treaty and protocols and called for a general study to determine the framework for the treaty as well as for appropriate sectoral studies which would serve as the basis for the preparation of the required protocols. The ECA was also requested to prepare a project document for funding by the UNDP Regional Bureau for Arab States to undertake the activities and prepare the necessary documentation relating to the meetings of the INT.

1/ Based on Document E/ECA/TRADE/63 submitted to the Council of Plenipotentiaries in March 1987.

B. GENERAL BACKGROUND TO ECONOMIC COOPERATION IN NORTH AFRICA

4. In looking at the history of economic cooperation and integration among various groups of countries around the world, it is noted that this has not been achieved without full political commitment by participating countries. It also a truism to state that the process of economic integration has generally been achieved successfully in gradual stages - stages which take into account national interests. The benefits that are likely to accrue in the long run, to individual member countries of a proposed grouping have provided the necessary incentives for these countries to pursue their original objectives. It must also be noted, at the outset that the viability of an integration attempt will depend on the measures designed to ensure that both benefits and costs will be distributed as equally as possible among all the participating countries. It is therefore against this backdrop that some major issues of economic ooperation will be examined to establish the general framework for negotiations on the establishment of the PTA for North Africa.

5. The process of economic cooperation and integration among the Arab countries has been in motion since the 1940s following the creation of the League of Arab States in 1945 and the achievement of independence of the Arab speaking countries of Africa. With particular reference to the countries of the North African Mulpoc, these arrangements, apart from bilateral agreements, have tended to emphasize the affinity of subgropus such as those of the Arab Maghreb made up of Morocco, Algeria, Tunisia and Libya while Egypt and Sudan have extended their relations to the Middle East countries of the Arab Mashreq. More precisely, attempts at economic cooperation among the Maghreb countries started with preliminary talks between Morocco, Algeria and Tunisia in Tangier, in April 1958 which finally resulted in the establishment of the Maghreb Permanent Consultative Committee (CPCM) in September 1964 with Libya also participating, although it has since withdrawn from the group. Mauritania is now also a member of the group. On the other hand, Egypt, Sudan and Libya participated in the Agreement of Arab Economic Unity established in May 1964 and now comprising 13 of the 21 Arab States. The other African countries belonging to the group are Somalia and Mauritania. These attempts at economic cooperation although proceeding slowly, are encouraging. In negotiating the terms of the PTA for North Africa, full consideration should therefore be given to these factors.

6. With regard to cooperation among the Maghreb countries, their ties with France (the former colonial power) have conditioned their relations not only among themselves but also with other Arab countries of the Mashreq. At the time of their independence from France in March 1956, Tunisia and Morocco depended on France from some 80 percent of all their trade 1/. Similarly, Algeria's production structures until its independence were geared to supplying the French market. With the creation of the European Economic Community in 1958, special

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1/ See Ian Boag on "The contribution of the EEC to the development and integration of the Arab World" in "The Problems of Arab Economic Development and integration" Edited by Adda Guecioucur. Westview Press, Boulder, Colorado, 1984.

trade links were established through bilateral agreements between the EEC and the individual member countries of the Maghreb. The EEC's common agricultural policy and common external tariff were a major disruptive factor in the attempts by the Maghreb countries, as indicated above, to establish cooperation measures among themselves.

7. Following the establishment of the Maghreb Permanent Consultative Committee (CPCM) the agreement did not define the precise terms of economic cooperation envisaged 1/ but its broad features stressed the need to expand trade relations, to coordinate and harmonize policies on industrialization and economic structures, establish new economic relations with the EEC countries etc. The tasks of the CPCM were however, more clearly defined at a subsequent meeting in Tangier in November 1964 when it called for the coordination of development plans and measures for industrial harmonization and multilateral trade expansion. The meeting also established the institutional framework of the CPCM with a secretariat based in Tunis to study economic cooperation problems and propose measures to resolve them. The CPCM also set up a number of permanent and ad-hoc commissions to deal with the production and trade of alfa, industrial expansion, compensation, transport and communications and insurance and reinsurance.

8. The Arab Economic Community Agreement signed in 1964 aimed to establish among its members complete economic unity 2/ that would ensure for them and their citizens, on an equal basis, the freedom of movement of persons, capital and goods; the freedom of residence, employment and economic activity; the freedom of transport and transit, the right to own, bequeath and inherit. They also agreed to make their countries a single customs entity with a unified external tariff and unified customs laws and regulations, to unify their export and import policies and regulations and their transport and transit regulations, to coordinate their agricultural, industrial, commercial and economic policies, their labour and social security legislation and their taxes so as to ensure uniform opportunity for their citizens; to coordinate their monetary and financial policies and regulations as a prequisite to the unification of their currencies and finally, to conclude jointly trade and payments agreements with foreign countries.

9. As operational aim of the Arab Economic Unity Agreement, the Arab Economic Unity Council was established with provisions for the creation of subordinate committees to assist the council in carrying out its functions. The Council was mandated to make the necessary studies and proposals on the application of the terms of agreement and submit them to the contracting parties for implementation in accordance with their constitutional procedures. Implementation could be extended for another five years.

10. As a first step in the implementation of its mandate, the Arab Economic Unity Council adopted a resolution to establish an Arab Common Market which

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1/ L'Unite Maghrebine - Dimensions et perspectives par Roger le Tourneau etal. Centre National de la Recherche Scientifique. Paris. 1972.

2/ See Alfred G. Musrey. An Arab Common Market - Praeger Publishers, New York, 1969.

stipulated the gradual abolition as of 1 January 1965, of all quantitative and qualitative restrictions on the movement of domestic commodities produced by the signatories. A complete removal of all restrictions on trade was envisaged by Jan 1, 1974 1/. Trade liberalization was to be effected in conjunction with the 1953 Intra-Arab Trade and Payments Convention with a 20 percent reduction annually on agricultural, animal and mineral products while manufactured goods would be completely freed of tariff over a period of 10 years at 10 percent reduction per annum, except for those products which already enjoyed 50 percent and 20 percent tariff reduction under the above mentioned Convention. These products would be fully freed of tariffs at the rate of 10 percent over 5 years and 80 percent over 71/2 years respectively.

11. From the above, it will be readily noted that the terms of cooperation envisaged among the Maghreb countries and under the Economic Unity Agreement indicated the clear intention of the member countries to integrate their economies completely in the long run. In the case of the Economic Unity Agreement, the proposals to adopt a common currency goes further than those of the European Economic Community whose economies were at fairly similar level of development at the time of the Treaty of Rome compared with those of the 21 Arab countries who were potentially parties to the Agreement. With regard to the proposals for the harmonization of trade and industrial policies, they are also very comprehensive, with wide ranging implications for individual member countries. Such proposals are generally difficult to apply unless detailed provisions are contained within the Agreement for such propose particularly in the light of the wide differentials in the levels of economic development of the countries involved. In that regard, the low level of participation in the Agreement is indicative of the practical difficulties in the application of such comprehensive measures.

C. TYPES OF ECONOMIC CO-OPERATION INSTITUTIONS

12. The term "Preferential Trade Area" describes the institutional framework set up for promoting economic cooperation among different countries. In the context of the Lagos Plan of Action, the process of economic integration calls for different stages of economic cooperation among member countries leading to the establishment of common markets and economic communities at subregional level to proceed eventually to the establishment of an African Common Market and an African Economic Community. It is therefore necessary at this juncture to define the possible forms of cooperation in order to determine the levels and degree of collaboration envisaged at each stage.

13. The different levels of cooperation can be described as follows 2/:

1/ See Adda Gueciqueur: The problems of Arab Economic Development and Integration - Op. cit. Chapter 6.

2/ See B.W.T. Mutharika: Towards Multinational Economic Co-operation in Africa. Praeger Publishers - New York, 1972

(a) A Free Trade Area is an arrangement where the member countries of a particular grouping agree to suppress or gradually eliminate among themselves all trade restrictions including tariff and non-tariff barriers. However, each member country of the group is free to determine its levels of tariffs against third countries outside the group. This type of arrangement is the simplest form of economic cooperation and aims to achieve gradually a state of perfect competion among the industries of the member countries whereby inefficient producers are eliminated. It also aims to promote sustained expansion of economic activity, full employment, increased productivity and the rational utilization of resources.

(b) A Customs Union relates to co-operation framework in which tariff on imports from member countries of the union are removed while an agreement is reached to impose a common external tariff on import from non-member countries 1/. A customs union therefore provides for freedom of movement of goods between the partner states while protecting the market within the union from competition from third countries. The level of common external tariff constitutes a major factor in the benefits likely to accrue to the member countries of the union. The establishment of a common external tariff has two direct effects. It diverts trade from low cost third country suppliers to less efficient producers within the union which were not able to compete with outside producers when non-discriminatory tariffs were applied before the formation of the union. The second effect is trade creation through the reduction of inefficient producers within the union by shifting sources of supply to lower cost sources within the union. Under those circumstances, the Customs Union is beneficial to its members if the amount of trade creation outweighs trade diversion.2/

(c) A Common Market is an economic grouping whereby a group of countries agree to eliminate customs duties and quantitative restriction among the member states with regard to goods originating in the member countries, to establish a common external tariff and commercial policies towards third countries and to remove all obstacles to the free movement of persons, services and capital within the economic grouping. The free movement of factors of production is the main feature which distinguishes a common market from the two previous form of economic co-operation. Since all the member countries may not be at the same level of economic development at the time the agreement comes into force, the terms of the agreement may provide for a transitional period for adherence to the rules with special provisions for some member countries of the group.

(d) An Economic Community is the highest form of economic integration. It includes all the features of a Common Market and in addition, calls for the adoption of joint economic policies in all sectors and at all levels of economic development of the members of the community. In other words, member countries agree to integrate all their economic activities and to take joint decisions in all aspects of economic development policies.

1/ See Jacob Viner: The Customs Union Issue, 1950.

2/ See Victoria Curzon: The essentials of economic integration. Macmillan, 1974.

14. The theoretical analysis of the above forms of economic co-operation agreement is by no means an exhaustive one. In addition to their general features, they include specific elements such as the determination of rules of origin of products traded within the economic grouping, the harmonization of trade documentation and procedures and policies, measures for exchange of trade information, rules governing the movement of persons and capital, the distribution of benefits among member countries, etc. which characterize each particular type of economic cooperation arrangement.

15. In the light of these considerations, the types of protocols requested by The Intergovernmental Negotiating Team of Experts gave an indication of the extent of cooperation envisaged within the proposed PTA through the protocols that are envisaged under the Treaty. The full implications of these protocols and the steps for their implementation will be spelled out in the studies called for by the Intergovernmental Negotiating Team of Experts. The Preferential Trade Area aims at achieving the following immediate objectives:

(a) to liberalize trade among them through the reduction and eventual elimination of all tariff and non-tariff barriers;

(b) to improve trade facilitation measures through the harmonization of trade documentation and procedures;

(c) to facilitate trade financing and payments settlements,

(d) to promote the free movement of persons and capital and,

(e) to undertake cooperation measures to promote the development of agriculture, industry, resources of the sea, energy resources and transport and communications services.

D. MEASURES REQUIRED BY MEMBER STATES

16. The establishment of the PTA, as a multinational institution, implies the conferment of a certain degree of supranational authority to that institution. However, this does not imply that the member countries relinquish all authority to that institution. The administrative and executive machinery set up to uphold the institution is made up of country representatives not only to look after the interests of the group as a whole, but also those of individual member countries. In order to ensure compatibility between the national and subregional development objectives and priorities, it is therefore incument upon the member countries to ensure their participation ab initio, at the highest level even in the preliminary stages of the work to be carried out.

(a) Action at national level

17. Member countries must ensure that they make a direct input into the studies that will form the basis of the various protocols for their future cooperation. Negotiations on the PTA could become protracted and even lead to acrimonious debates if some countries consider their particular situation has not been fully considered in the preparation of the draft protocols. In order to avoid such situations, prior to the start of negotiations, examine the issues involved and make available all information and views on the subject. Consultations with member countries will be expected to take place through ECA officials or experts appointed to carry out the studies. Member countries should therefore designate a national expert as counterpart to the officially appointed expert to provide all required data and the specific views of the country concerned on the subject of the particular protocol. For that purpose, it is obvious that research work must begin at national level.

18. There is a need for co-ordination at national level to ensure that the country's objectives in the different sectors are consistent with the PTA objectives. It is therefore necessary that as much preliminary work is done by national experts to ensure that the country's negotiating team is fully conversant with the issues to be discussed. In that regard, it seems essential that each participating country should set up a negotiating team made up of respresentatives from the appropriate ministries, parastatals as well as private sector organizations such as chambers of commerce, manufacturers associations, consumers associations or trading agencies, to consider the major issues of any proposed agreement and protocols. The Committee should not only define the country's objectives but should also participate in the preparation of the necessary documents to provide technical support to the country's negotiating team of experts

(b) Action at the negotiating level

19. The success of the Intergovernmental Negotiating Team of experts will depend to a large degree on the composition and the preapration of national negotiating teams. Experience in similar negotiation in other subregions shows that the frequent rotation of participants in the various negotiations sessions is detrimental to the attainment of full objectives of the PTA. The lack of continuity noted does not only prevent negotiations from proceeding forward but sometimes retard the negotiations and can lead to a great deal of frustration on the part of other delegations. It is therefore essential that each national negotiating team should have the same Team Leader to provide continuity as well as overall cohesion.

20. A technically well briefed team prior to negotiations does not ensure only the success of the negotiations. Furthermore, it is essential that country delegations should be fully conversant with the basic issues of the protocols to be negotiated as well as their long term implications for the countries concerned. While the long term benefits of the cooperation arrangements envisaged are themselves not in doubt, the terms of implementation of the provisions of the proposed agreement and protocols need to be clearly defined to ensure their applicability, hence the need for highly competent national experts to be involved in the negotiations process.

(c) Action with regard to existing co-operation agreements

21. The Intergovernmental Negotiating Team of Experts, at its inaugural meeting held in December 1987, requested that in preparing the studies and draft protocols, account should be taken of existing bilateral and multilateral agreements between the member countries. The inference to be drawn here is that the terms of these agreements and the experience gained in their implementation should form the basis for the proposed PTA. In that regard, it should be noted that bilateral agreements are quite specific in nature and take account of the immediate conditions and requirements of the two member countries concerned. Because of this specificity, it is unlikely that they can be applied, pari passu to a multilaterl situation. Similarly some existing multilateral agreements involving member States of the North African subregion are not confined to that subregion but involve other Arab countries of the Middle East. The problems encountered in implementing the existing bilateral and multilateral agreements do provide insight into the problems of co-operation in the subregion.

22. A point of concern with regard to such agreements is the possibility that their provisions may not always be compatible with the envisaged PTA agreement. In such event, some adjustment might be required to bring them into line with those of the PTA. In all probability, it may be found more practicable to allow the agreements, in particular the bilateral ones, to gradually merge with the operations of the PTA treaty. It would therefore be necessary for the member countries concerned to examine the provisions of these agreements closely to determine their continuing viability and consistency with the PTA.

E. SUMMARY OF CONCLUSIONS

23. From the foregoing analysis, it is evident that the proper implementation of an economic co-operation agreement depends on three major elements: (a) the level of co-operation envisaged according to the terms of the agreement; (b) the level of economic development of participating countries and (c) the provisions contained within the agreement for the implementation of the proposed measures. These elements are interrelated and condition not only the sucessful implementation of the agreement but also the extent of participation of the parties involved. It is therefore useful to consider these elements carefully in the establishment of the PTA for North Africa.

24. The terms of PTA could involve purely trade liberalisation measures with the removal of tariff and non-tariff barriers to promote trade among the members. This presupposes that complementarity exists in the member States making available goods which could form the basis of trade expansion. Furthermore, the main purpose of liberalizing trade would not be merely to increase the flow of goods among the member countries but to accelerate their rate of economic development. The objective therefore is that trade liberalization efforts should result in the expansion of existing industrial and agricultural production capacities as well as the development of new ones. To that extent, it can be said that trade liberalization should be closely associated with cooperation in production. 1/

1/ See B.W. Mutharika. Toward Multinational Economic Co-operation in Africa. Op.cit.Chapter 6.

25. Trade liberalization can also be linked with measures to promote trade in raw materials and basic goods which presently are being exported to the industrialized countries. The raw materials produced within the North African region could therefore form the basis for diversification of production and joint production ventures to increase the range of exportable products both among the member countries and to third countries. In that regard, other measures generally associated with trade liberalization such as payments arrangements, trade credit and insurance and other financial and monetary measures particularly in connection with exchange rate policies could be geared to promote co-operation and co-ordination of manufacturing activities even on bilateral basis within the group in order to increase the level and range of production.

26. This level of co-operation however does contrast sharply with the type of agreement which call for co-ordination and harmonization of trade and industrial policies implying a higher level of economic development as a basis for such co-operation. 1/ For the purpose of this analysis, it is necessary to point out that co-operation agreements should make provision for co-operation to be developed in stages to take advantage of complementarity and promote joint production in the various sectors of economic activity.

27. Another major consideration is the need for appropriate mechanisms to be established to assess the impact of any proposed measures on the economies of individual member countries. Compensation mechanisms should then be devided to ensure a fair distribution of costs and benefits among the participants since those countries within the group which are at a comparatively low level of development are likely to suffer certain losses not only in terms of customs revenues and other taxes levied on imports but also with respect to the impact on their own industrial development.

1/ See Victoria Curzon: The Essentials of Economic Integration. Op.cit. Chapter 10.

UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.:
LIMITED

E/ECA/TRADE/88/5
15 April 1988

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA
Zimbabwe National Chamber of Commerce
Seminar on Zimbabwe - Soviet Trade
Harare, Zimbabwe
10-12 May 1988

LC/AM.381

ZIMBABWE'S TRADE AND ECONOMIC PROSPECTS IN CONTEXT OF SOVIET ECONOMIC REFORMS

I. GENERAL OVERVIEW OF THE FRAMEWORK

1. This rather brief paper addresses itself to the objective of the radically restructured economic system of the Union of Soviet Socialist Republics (USSR) from the point of view of possible trade prospects for the Zimbabwean economy. Basically because according to Mr. Mikhail Gorbachev, his announcement represented a definite "Radical Restructuring of Economic Management" 1/ that was never before imagined by the Soviet people and even the world at large.

2. However it is important to state from the outset that the changes have not paved the way for the emergence of private Soviet enterprises like is the practice in the market economy countries. What has been attempted is to give more leeway to them than had hitherto been the case. They are being allowed to enjoy more commercial freedom against proved efficient management of their respective enterprises. It is therefore these new leeways and others which this paper will attempt to examine more closely with a view to suggesting ways in which Zimbabwean business houses can exploit its advantage within the context of the country's resources endowment.

3. Meanwhile also, it should be pointed out that economic and political relationships between Africa and the socialist countries of Eastern Europe (including the USSR) only accelerated from about the late 1950s. It is therefore not surprising that formal contacts on the other hand, between Zimbabwe and the socialist countries of Eastern Europe, especially with the USSR only dates back to the year of Zimbabwe's own independence. Perhaps that is what explains in part the presence of the USSR delegation at the Zimbabwe Conference for Reconstruction and Development (ZIMCORD). Since then, there have been several bilateral contacts between the two countries both at official and private levels.

4. The importance of developing trade and economic relations with Africa's non-traditional partners especially with the USSR needs no further stressing 2/. First and foremost, trade creation and diversion offers tremendous opportunities in lessening the vulnerability of many an African economies who are characteristically dependent on one trading partner. Second, increased protectionism in the principal traditional export markets to commodities of African interest necessitates a search for alternatives. Third, the USSR is not only the largest buyer or importer of many African primary commodities but that its own envisaged expansion offers further prospects for increased exports even if not necessarily for African end products. Fourth, the current restricted interpretation of interdependence can possibly be nurtured on a more mutually advantageous basis to both

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1/ Mikhail Gorbachev, "On the Tasks of the Party in the Radical Restructuring of Economic Management", The Report and Concluding Speech by the General Secretary of the CPSU Central Committee, June 25-26, 1987, Novosti Press Agency Publishing House, Moscow, 1987.

2/ See ECA, Prospects for Developing Trade between African Countries and the USSR and Major Market Opportunities, E/ECA/TRADE/90, Addis Ababa 28 August 1987.

parties. The other assumption in this is that such a course of action offers opportunities for the rules of the game to be structured and to avoid the entrenchment of "the rider and horse" mentality. In other words, where the former, the developed industrialized countries and especially their transnationals take such a situation for granted as they ride on the less developed partner.

5. Consequently there have been a number of resolutions adopted by the various African legislative bodies. Emphasis in each case was put on the need to promote trade relations with the region's non-traditional partners. Thus:

(a) The Eighth Session of the Conference of African Ministers of Trade in Brazzaville in the Republic of the Congo from 28 to 31 October 1985 called upon both ECA and the OAU secretariats in co-operation with UNCTAD to assist with the promotion of trade between the African and the socialist countries of Eastern Europe. Among other things in which they called for action were:

- "finding ways of persuading the socialist countries of Eastern Europe to abandon their attitude based on historical consideration towards global proposals by the developing countries and towards African exports of manufactures and semi-manufactures; seeking ways of facilitating the access of African commodity exports to socialist countries of Eastern Europe; and

- encouraging trade missions and business tours between these two groups of countries";

(b) ECA resolution 560(XXI) of 19 April 1986 on trade and development finance, not only endorsed and reiterated the above, but also proceeded to request that in promoting trade between the African and the socialist countries of Eastern Europe and with China, concrete measures were to include:

(i) "Development of effective ways of expanding trade flows especially in semi-processed, processed and semi-manufactured products; and

(ii) Encouragement of trade missions and business tours between Africa and these countries."

(c) ECA resolution 591(XXII), in considering the needs of African countries in this field, requested "OAU, ECA and UNCTAD secretariats and the socialist countries of Eastern Europe to intensify their technical assistance activities in this area... to fully implement their programme of training, dissemination of information and advisory services on national, regional and interregional levels".

6. It was partly in response to the above that ECA in collaboration with the other UN secretariats has undertaken a number of activities. For example, a number of analytical studies have been undertaken for the benefit of member States. Similarly, national and interregional meetings and seminars have been conducted enabling officials to exchange and share experiences. In addition to the above have been business and study tours for African businessmen organized in a number of socialist countries. The latest of these African business tours took place in Moscow and Minsk from 28 September to 6 October 1987. This Workshop and study tour was attended by 23 participants from the following 18 African countries: Botswana, Burkina Faso, Egypt, Ethiopia, Gabon, Ghana, Guinea, Kenya, Madagascar, Morocco, Nigeria, Senegal, Sudan, Togo, Uganda, Zaire, Zambia and Zimbabwe. 3/

II. THE GENERAL FRAMEWORK

(a) Africa's trade structures

7. Trade and economic relations between Africa and especially in the case of Zimbabawe, with the Soviet Union is part and parcel of such relations at the global level. Needless to say, it is a sum total of disaggregation and aggregation equations, depending on what is to be achieved. First and foremost, it ought to be realized that Africa's main traditional trading partners are the members of the Organization for Economic Co-operation and Development (OECD). They constitute Africa's main markets for its exports and source of imports. This group is made up of countries of Western Europe, North America and Japan.

8. In discussing Africa's trade structures it is also important to take a close look at the region's commodity composition, especially the existing difference in each of the markets. One most glaring difference concerns the low level or share of petroleum exported by Africa to the socialist countries of Eastern Europe. This is because the structure of these countries' intra-regional trade is not only of great importance but also greatly determines what items they must buy or import from each other. Consequently, their import of fuels from the USSR accounts for the bulk of the USSR and East European foreign trade. Between 1980 and 1986, their intra-regional trade increased at an average annual rate of 6 per cent in dollar terms. The increase in exports recorded for the USSR economy was mainly due to the sales of fuels to the other six countries (CMEA) which increased at an average annual rate of about 10 per cent. Implied in this also is the fact that African producers and exporters as well as others with a potential to export petroleum may have better prospects but unlikely to gain a foothold as long as the above situation continues unchanged.

9. Perhaps some of these trends are better appreciated against general trends at the global level. For instance in the period 1980-1986 world trade in export goods was estimated by various organizations to have averaged

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3/ United Nations, Report of the Training Workshop on Trade Expansion and Study Tour for African Businessmen in the USSR (Moscow and Minsk), 28 September - 6 October 1987), E/ECA/TRADE/101, December 1987, para. 31.

3 per cent per annum. Growth in 1985 and 1986 respectively was estimated at a little higher than average, at 3.5 per cent. There is however a need for caution regarding the interpretation of statistics on annual trade values because of certain variations between sources. It is significant however that in Africa primary commodities account for nearly 90 per cent of foreign exchange earnings. On the other hand, the volume of imports was down by about one third in 1985 from their peaks in 1982 and 1981 respectively. The significance of the adverse trends emanates from the fact since 1980, the combined share of exports of petroleum and non-fuel primary commodities has declined. A trend which reflects the world's general depressed market conditions in as far as these product categories are concerned. This can be said to be a manifestation of a collapse in commodity prices. In addition to the above is the observed trend that in over twenty-five developing African countries, a certain number of manufactured exports in the importing countries have come under increasing pressure. Most of the compelling factors in these countries have to do with measures of liquidity and credit control designed to restrict "non-essential" imports in response to the above (lower export earnings) and decline in net capital inflows.

10. It is important also to note that these developments take place within a set pattern of the so called international trading system. A system which according to UNCTAD has been described and discussed variously. It is a system that characteristically requires:(a) correcting the adverse tendencies of its own operational structure (it being understood that it is circumscribed by the rules of the Bretton Woods) which gave birth to the International Monetary Fund and the International Bank for Reconstruction and Development on the one hand. On the other hand, to the so called principle of "non-discrimination" as enshrined in the General Agreement on Tariffs and Trade (GATT) to mean pursuance of "the most-favoured nation clause"; (b) ensuring that appropriate reforms are implemented to it with a view to ensuring its continued relevance to changing structures of world trade; (c) dealing with the problems arising from the inherent inadequacies and limitations of the system; and (d) establishing a mechanism to deal with developments which occur outside the field of trade policies but which affect the functioning of the trading system, so as to "cushion" their impact on the operation of the system. 4/

11. Admittedly, available data is far from being complete. It is nevertheless evident, that since the early 1970s, the composition of the region's output has not made much significant changes. In particular, in terms of both the region's spectrum of exports and imports. For example, on the import side during the 1983-1986 period, machinery and transport equipment and other manufactured goods comprised on average, nearly 60 per cent of total imports. A relatively new phenomenon beginning in 1984 was the increased share of food imports, including higher levels of food aid. These increased by 2 per cent points in 1985 from 16 per cent in 1983. This trend was in itself a reflection of the region's continuing decline in its food output.

4/ United Nations, Revitalizing Development, Growth and International Trade: Assessment and Policy Options, United Nations Conference on Trade and Development, New York, 1987, pp. 143-4.

12. Needless to say also about the announced changes in the Soviet Union economy is that Africa has bemoaned its earlier acceptance of the concept of interdependence. In practice, it tends to apply mainly among the industrialized countries themselves of which the Soviet Union is an integral part while the majority of the developing countries continue to be on the periphery. Consequently, shifts in policy among the industrialized countries, despite the pious hopes which are sometimes raised about the mutuality of interest, have only ended up in creating a sort of pessimistic atmosphere among the fragile African economies. Particularly since there are no visible signs about the ability and willingness of the international community to genuinely restructure the system of international trade. Let alone to encompass trade in primary commodities which continue to be Africa's lifeblood 5/.

(b) Trade and economic relations with the USSR

13. Some of the ways and means of promoting trade between Zimbabwe and the Soviet Union are inseparable from many of the elements briefly analysed a little earlier. As stated above, the USSR is the largest trading partner of developing Africa among the group of socialist countries of Eastern Europe. In 1960, the Soviet Union had formal trade relations with only six African countries. Before then also, products of the USSR and other East European countries were hardly found on the shopping list of most present independent African countries.

14. Exports by the Soviet Union to Africa in 1980 were about US$1,352 million or about 1.8 per cent of its total world exports. These rose to US$1,614 million or 2.0 per cent in 1981, to US$1,794 million or 2.1 per cent in 1982, to US$2,111 million or 2.3 per cent in 1983 but declined to US$1,763 million or 1.9 per cent in 1984 and to US$1,567 million or 1.8 per cent in 1985. African exports to the USSR on the other hand, were about US$1,572 million or 2.3 per cent in 1980, about US$1,634 million or 2.2 per cent in 1981, about US$2,412 million or 3.1 per cent in 1982, but declined slightly to US$2,297 million or 2.9 per cent in 1983 and then rose to about US$2,405 million or 3.0 per cent in 1984 and declined again in 1985 to US$2,253 million or 2.7 per cent.

15. On the basis of the brief statistical analysis given in the accompanying tables, export and import trends do not reveal as much as is necessary about the relative importance of the overall trade flows between this group of countries. They do however show certain relations and that they are a siginificant factor to envisaged economic development. The overall picture also hides a number of differences which exist in the trade flows between these two groups. For instance, the 11 per cent decline in 1986 in the USSR's terms of trade (the ratio of export unit values to import unit values) was compensated for by large increases and opposite movements in the volume of exports and imports which resulted in a doubling of trade surplus. According to estimates put out by the General Agreement on Tariffs

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5/ See Jonathan H. Chileshe, "Primary Commodities: Africa's Lifeline and South-South Co-operation", Primary Commodities: Challenge to Co-operation among Developing Countries, Research Centre for Co-operation with Developing Countries, Ljubljana, 1986, pp. 289-300.

and Trade (GATT), the value reached more than US$8 billion in that year. 6/ In the meantime also, USSR's trade surplus with the developing countries expanded nearly threefold to almost US$7 billion and was the highest level ever recorded with the later.

16. Available data show that Africa's exports to the USSR consisted mainly of the following agricultural raw materials: cocoa; coffee; spices; natural rubber; cotton; hides and skins. The composition differs with that destined into Africa's traditional market of the market economy countries which includes a large share of petroleum and tropical timber. Basically because the Soviet Union is itself a major producer and exporter of petroleum. Similarly, the Soviet Union does not encourage the import of hard woods for its furniture and timber industries. However consumption data of some of these items namely, fibres, coffee and cocoa which rose at rates higher than average in the period 1980 to 1985 also need to be treated with great caution. It is also perhaps most interesting to observe other aspects of these trends. Not least of all the per capita consumption of these restricted products in the USSR was much below the levels reached in most developed market economy countries. The question that we should try and answer is whether any such likely increase or rise would be to Africa's advantage? In other words would a potential for increased African exports exists only where ways can be found to raise the per capita consumption rate in the USSR assuming that the particular importing country makes it a deliberate course of action in favour of an African exporter.

17. It is therefore not without reason to reiterate doubts regarding prospects for Soviet-African trade expansion in the absence of such deliberate engineering. Perhaps it will ultimately depend on the pace and scope of economic development in the African countries themselves. Similarly, on how the pattern of structural changes in the Soviet Union will be implemented, notwithstanding certain traditional commitments. It can not be denied that there is a tremendous potential for expansion of Soviet-Zimbabwe trade relations. But that such a potential can be better exploited where conditions are not only conducive but also where account is taken of Africa's special circumstances. These circumstances include the possibility of joint ventures and counter trade arrangements. This is why it is not enough to stop at the announcement of radical economic changes in the Soviet Union. It is therefore imperative to ensure that provision is specifically made in order to answer to the special difficulties of the African trade partners.

III. THE FOREIGN TRADING SYSTEM OF SOCIALIST COUNTRIES

18. To better appreciate some of the likely implications of the radical economic changes of the Soviet Union requires more than background information of the previous situation. In other words, the new changes must be seen against other changes which may have taken place in terms of attitudes and

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6/ See GATT, International Trade 86-87, General Agreement on Tariffs and Trade, Geneva, 1987, p.106.

modifications to the structures. Events that have taken place in the USSR in recent times seem to bear a message of optimism for the world at large. In particular the economic reforms associated with Mr. Mikhail Gorbachev since he became the first General Secretary of a new breed of world leaders. More so as a member of the postwar generation with a different outlook on the world. For one thing, his approach to foreign affairs would be difficult to understand without reference to his economic policy.

19. In a nutshell, his view point of development of the Soviet economy is determined by his country's interest in the international arena. We will therefore be forgiven, some of us, if we stress the absence of the African interest in those priorities. It is from this stand point, that this analysis intends to proceed in the hope, not only of generating full and fruitful debate but also to obtain wise counsel on how those changes can be profitably exploited.

(a) Trading with the Socialist Countries of Eastern Europe

20. Trade by African countries or for that matter any other country of the world with the socialist countries of Eastern Europe is a sum total of the flow of exports and imports. It involves ways and means of effecting payments and getting those goods and services to their end-users. Each transaction is a result of hard-nosed bargaining even if some will try and play down this element. This particularly is the case for those who rely on sentiments of sovereign equality even when they know deep in their hearts that there are main differences between the partner states.

21. Nevertheless the structures of foreign trade in the socialist countries of Eastern Europe are basically the same. They are all very closely linked with national production entities. Producers (who use raw material inputs to produce whatever is eventually traded) on the one hand and those who engage in foreign trade (by way of exports and imports) on the other hand, are conceived and considered as mutually responsible for the total package of commercial deals. The third arm of these institutions comprises the financial mechanisms through which it is obligatory to pass all payments for such transactions.

22. According to a recent study of the United Nations Conference on Trade and Development, a lot is given about the main framework of trading with socialist countries of Eastern Europe. 7/ For instance, there has been a tremendous increase in the number of entitites entitled to carry out foreign trade operations in many socialist countries of Eastern Europe. Perhaps, triggered by the need to perform different functions to ensure the expansion of foreign trade. These entities can be grouped in the following broad categories. In terms of those which operate in foreign markets, they include:

(i) Specialized foreign trade organizations (FTOs);

(ii) FTOs or their independent offices incorporated into industrial associations;

7/ United Nations, Manual on trading with the Socialist Countries of Eastern Europe, UNCTAD/ST/TSC/1/Rev.1, para. 10.

(iii) Industrial enterprises with the right of direct access to foreign markets,

(iv) FTOs dealing with a broad variety of goods (trading houses); and

(v) Foreign trade cooperative organizations.

23. Other important points of departure or channels apart from the above five broad categories include the institutions of Chambers of Commerce and each country's trade representatives abroad. This battery would be incomplete without the contribution of such instruments as signing of intergovernmental treaties and agreements, specifically designed to cater for trade and economic cooperation:

- The Chambers of Commerce: These institutions are considered as non-governmental organizations. Their membership draws from each country's foreign trade organizations, industrial and commercial institutions. Their responsibilities include among others: promoting domestic trade and foreign trade relations; providing information to foreign firms and national organizations with a view to establishing business contacts and finding additional markets; establishing relations with foreign industrial and commercial organizations and international organizations. They are also responsible for arranging business visits for foreign commercial and industrial delegations in their respective countries on the one hand and foreign visits for their own national delegations that go to investigate possibilities of foreign markets on the other hand. Furthermore, they are responsible for arranging international trade fairs and exhibitions as well as dealing with the foreign trade documents and certificates necessary for international business contacts.

- Trade representatives abroad: They are a major instrument of the foreign trade structure of socialist countries. They compliment the work of the chambers of commerce and in their own right, represent their respective country's interest in foreign trade. They specifically promote the development of trade and economic relations as well as foreign exchanges with the host country.

- The instrumentality of intergovernmental treaties and agreements: This is another important feature of trading with socialist countries of Eastern Europe which developing African countries are expected to adjust to. Most commonly used, are bilateral long-term trade treaties and agreements which elaborate and regulate trade and economic relations between them and their foreign partners. Many of the bilateral agreements have been for periods of 10 or 15 years. In certain instances also, joint commissions have been established between signatory countries to compliment these agreements with a view to monitoring progress or implementation of such agreements. Payment clauses form part of those agreements. A system of clearing arrangements predominated in the initial stages but were subsequently replaced by new agreements during the 1970s with the stipulation that payments be effected in convertible currencies.

(b) Zimbabwe's trade with the USSR

24. The history of Zimbabwe's trade and economic relations with the USSR is relatively short. By and large, it is part of the country's relations with most other non-traditional partners and especially, Eastern Europe.

25. Trade of the USSR is mainly with other members of the Council for Mutual Economic Assistance (CMEA). There has however been substantial trade with the developed market economy countries, a factor which any African country contemplating to do business with the USSR is bound not to overlook because all likely future trends are bound to be affected by it both in terms of trade diversion and/or creation. Soviet trade with developing countries has been expanding in recent years, except for the rather low level with developing Africa.

26. Furthermore, the export commodity structure of the USSR in the period 1980-1986 was dominated by fuel and energy, followed in second place by machines and equipment. Other significant exports included ferrous metals, wood and paper products as well as chemicals. On the other hand, Soviet imports are characteristically dominated by engineering products. The bulk of which are obtained from the other socialist countries of Eastern Europe. The remaining one-third are imported from the developed market-economy countries. In other words, items imported by the USSR from sources other than the two above include: phosphate fertilizers; natural rubber; a very limited amount of tropical timber (which may seem like a contradiction of what was stated a little earlier) and paper; grain; meat and meat products; sugar (mostly from Cuba on the basis of bilateral agreements); vegetable oil; vegetables; cotton textiles; clothing; footwear; furniture and other consumer items.

27. To what extent therefore can some of the available statistical data be a useful measure of the potential of trade and economic relations between Zimbabwe and the Soviet Union depends on how the trade is to be initiated and sustained? Answers to some of these questions, could perhaps help with the analysis of what lies ahead in the context of the recently announced radical economic management of the Soviet Union.

28. Zimbabwe's total world exports in 1980 was about US$1414.5 million but then declined all through the 1980-1986 period reaching US$999.5 million in 1986. The percentage share of its trade with the Centrally Planned Economies was lowest in 1982 (0.8 per cent) but rose to 3.6 per cent in 1983. Hence, not even the slight increase in 1985 to US$1112.7 million was able to improve the country's overall export performance. Zimbabwe imported from the world in 1980 about US$1290 million and in 1981, US$1472 million. In the following years the trend was one of decline; US$1430 million in 1982; US$1052 million in 1983; and US$959 million in 1984 before rising slightly in 1985 to US$964 million and to US$985 million in 1986.

29. On the other hand, Zimbabwe imported from the USSR during this period relatively more than it exported to that country. However, data in the table shows a relatively higher percentage for the 1986 period. Thus Zimbabwe's imports were: in 1981 (US$0.8 million); in 1982 (US$2.5 million); in 1983 (US$0.7 million); in 1984 (US$0.6 million); in 1985, the same as in 1983; and in 1986 (about US$0.5 million). Zimbabwe's exports on the other hand were of the order of US$0.6 million in 1981, about US$0.1 million in 1982 and much less than in 1982 in the three years following (1983, 1984 and 1985) but then reached their highest level in 1986 at an estimated value of US$1.9 million.

30. It is these rather negative growth rates, when taken together with data given in the tables that can be used in assessing Zimbabwe's trade expansion prospects in the context of the recent economic changes announced in the Soviet Union. Naturally, such an assessment will have to bear in mind first and foremost, Zimbabwe's natural resources endowment and also what changes the Zimbabwean economy must introduce to be effectively competitive. This is particularly important for such sectors as agriculture where Zimbabwe has a great potential (meat and meat products, tobacco, cotton, sugar cane, wheat). Similarly for certain minerals (asbestos, coal, chrome, iron ore, tin and gold). In addition is the fact that Zimbabwe has a very well developed manufacturing sector with a proven capability of meeting competitively a variety of items which the Soviet Union imports from other CMEA members and also certain developed market economy countries. Some of the studies conducted in this area in 1985 put Zimbabwe's manufacturing sector in terms of sophistication and diversity, second only to Cote d'Ivoire in Sub-Saharan Africa. Another important element of the Zimbabwean economy is its tourism sector as a major earner of foreign exchange. The question becomes one of establishing the extent to which some of the liberal policies announced in the Soviet Union can rub off and benefit the Zimbabwean tourism industry? It will therefore be necessary to enquire into some of the likely inhibiting factors to exploiting the tourism potential, assuming that the Soviet citizens are the target points.

31. What should also not be too easily overlooked in considering any of these factors is the fact that the USSR has most of these constituent elements in abundance. Furthermore, the USSR is also trying to step out of its own shell to become an export giant. Conversely, to become less as a major importer of products of others. It therefore becomes another question of reconciliation of two opposites. How, may we ask, would Zimbabwe's export prospects fit in this puzzle? Some of the answers to those questions are part of the analysis in the chapter which now follows.

IV. LIKELY IMPLIED MEANING OF THE SOVIET ECONOMIC REFORMS

32. It is rather too early for any one to be categoric about what lies in store for countries like Zimbabwe. It is also difficult to establish criteria in which or against which the economic reforms announced by the Soviet Union should be assessed. Perhaps some painstaking at analysing what was said at the Plenary Meeting of the CPSU Central Committee on 25 and 26 June 1987 would be a good basis. In the meantime, several scholars and other interest groups have taken some trouble to understand what these reforms are about.

33. There are many other questions which go begging for answers. Not least of these is the likely envisaged changes for both the Soviet Union's fraternal states, members of the CMEA and those who are not. In particular if the changes have made very significant departures from what is stated in Chapter III above? This is why it becomes necessary to devote a little space to restating some of the main or salient features of the reforms themselves. The few sources to which we have turned to agree in part but also disagree over certain areas. Thus there is a lot of room for other analysts to put forward their own assessed view on the subject.

34. However there is some sort of general agreement in the light of the various comments as pointed out by Roderic Lyne that "in economic policy, Mr. Gorbachev has drawn a sharp distinction between his own approach (and Andropov's) and the policies of Brezhnev." 8/ His conclusion is based in the main on the contents of the "Political Report" to the 27th Party Congress. In his opinion, it made no bones about the negative processes that had surfaced in the late 1970s and the early 1980s. In other words, he openly drew a line using 1983 as watershed for the package of economic reforms his regime wanted to see implemented 9/.

35. Therefore some caution ought to be exercised by those outside the Soviet Union structure in assessing the reasons behind the necessity and essence of the "Reform". Particularly since there is no mistaking the fact that it was intended first and foremost to cater for the wellbeing of the Soviet Union's own economy. Hence it was intentional that Mr. Gorbachev reminded his countrymen as regards the intended objective of the radical reform of economic management. He is on record saying: "Comrades, today as we discuss radical restructuring of economic management we must keep a realistic picture of the state of our economy as we entered the 1980s. By that time the rate of economic growth had dropped to the level which virtually signified the onset of economic stagnation. We began to concede one position after another, and the gap we knew in production efficiency, output quality and in technology as compared with most developed countries began to widen". 10/

8/ Roderic Lyne, "Making waves: Mr. Gorbachev's public diplomacy, 1985-86", International Affairs, Vol. 63, No. 2, Spring 1987, p. 210

9/ For instance, at the Central Committee Plenum on 23 April 1985 Mr. Gorbachev said: "Thanks to the Party's active work, beginning in 1983, we have been able to straighten out the work of many segments of the national economy".

10/ Mikahil Gorbachev, op.cit., p. 36.

36. It is thus evident that the aim of restructuring economic management is to re-orient the economic growth of the Soviet Union from intermediary to final, to bring about socially significant results and meet the public needs, promote all-round development of the individual, making technology advancement fundamental to economic growth and creating a dependable cost-wise mechanism. Implied in these changes as admitted by the Soviet Union authorities is renovation of their economic forms of socialism, proceeding from "the requirements of Soviet society's development...and thereby fund the scope for an economic overhaul" 11/.To achieve these objectives it was considered prudent that the system should focus at least in the following areas:

(a) Firstly, a drastic extension in the margins of independence for amalgamative and factories, their conversion to full-scale profit-and-loss accounting and self-financing, increased responsibility for high end results, fulfilment of obligations to clients, a direct linkage of the collective's income level to its work performance etc.;

(b) Secondly, a radically restructuring of the centralized economic management, raising the qualitative level and focusing it on the main issues that determine the strategy, quality, pace and proportions of development for the national economy as a whole and its optimal balance, while at the same time decisively relieving the centre of interference in the day-to-day activities of subordinate economic bodies;

(c) Thirdly, a cardinal reform of planning, pricing, financing and crediting, transition to wholesale trade in productive goods, and reorganized management over scientific and technological progress, foreign economic activities etc.;

(d) Fourthly, the creation of new organizational structures to ensure deeper specialisation and more reliable co-production schemes, the direct involvement of science in production and on this basis a breakthrough in world-standard quality; and

(e) Fifthly, going over from an excessively centralized command system of management to a democratic one, promoting self-administration, creating a mechanism for activating the individual's potential, clearly delimiting the functions and fundamentally changing the style and methods of work of Party, local government and economic bodies.

37. The new system talks liberally of democracy as defined in its own terms. Implied by the shift of democracy under the fifth area of attack above is its being linked indivisibly with the active use of the various forms of cooperative and individual enterprise projects, alongside State ownership. In other words, the reforms reject the emergence of private enterprises. What the reforms are intended to have done is paving the way for State

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11/ Gorbachev, Ibid., pp.43-48.

enterprises to be able to deal directly where there is such a need, with non-state enterprises and private individuals as well as private enterprises of other countries. This includes entertaining joint ventures with non Soviet private enterprises in the Soviet Union.

V. SUMMARY OF THE OBSERVATIONS

38. There are fundamentally two areas to which attention has been focused in this analysis. The first one is that the reforms are intended, as stated above, to help the Soviet Union's own economy. In other words, the reforms are bent on helping reverse the impending danger that has been perceived that the Soviet Union could suffer further economic stagnation. The aim therefore is to stem or stop the loss or conceding by the Soviet economy of one position or economic advantage after another to other world exporters. Particularly because this has resulted in widening the gap in production efficiency between the Soviet Union on the one hand and other competitors on the other hand. Secondly and not any less important is that the USSR has reassured its other CMEA members that the reforms are not intended to change the status quo existing between them.

39. Some of the answers to these perplexing questions as well as the doubts we raise can be better provided by none other than the officials charged with manning the Soviet Union enterprises. Nonetheless Zimbabwe has made a good start with this seminar which provides a forum. Another starting point ought to be its export potential, analysed briefly earlier which Zimbabwe can claim to have. For instance, how possible is it for Soviet Union enterprises, given the heralded democracy, be able to import Zimbabwean products without first having exhausted supplies from other CMEA countries? The reality of adherence by CMEA members, to suppliers from within their own arrangement is enshrined in the protocols of their association. It is an open secret that "in matters of raw materials and energy, the aim of socialist countries (members of the Council for Mutual Economic Assistance) was to make the best use of the resources available in each socialist country as cited in the action which had been taken in respect of Polish coal...when all socialist countries needing coal were obligated to supply capital goods to the Polish coal mines to receive in exchange shipments of Polish coal etc." 12/

40. Zimbabwe has a very sophisticated manufacturing sector. Its products are of very high quality and therefore likely to be competitive in Soviet Union market. This is why we would like to suggest for a course of action to be jointly undertaken by the two countries with a view to examining ways in which Zimbabwean products could begin to be imported in the Soviet economy. Admittedly, there is no ignoring the temptation that officials in the Soviet Union are pre-occupied with the task of narrowing the gap and therefore could

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12/ See Jonathan H. Chileshe, The Challenge of Developing Intra-African Trade, East African Literature Bureau, Nairobi, 1977, p. 70.

find this a little difficult. There is also very little information on which to base these considerations about prospects of expanding or taking advantage of the new Soviet Union reforms as in the case of the tourism sector?

41. It is clear at least on the basis of the foregoing, that treatment of any of these issues would be no different from what takes place in dealing with any other commercial transaction. Perhaps the most likely lines of little resistance in this particular case falls in one of the following three options:

(a) Government credits granted by the USSR Government through the State Bank on fixed terms and conditions, usually for the financing of projects covered under long-term agreements. The rates of interest are normally fixed between 2.5 and 3.0 per cent, with amortization periods of up to 10 or 15 years with a grace period of up to 5 years. The question is can Zimbabwe obtain any better terms than these? Alternatively what can Zimbabwe offer to attain this later goal?

(b) Bank credits usually granted to developing countries to enable them to finance their trade under terms of trade agreements with the Soviet Union itself. These credits are for periods of about two years and at most not more than three years. They carry rates of interest which generally follow trends in the world money markets; and

(c) Commerical credits which the Soviet Union's foreign trade organizations (FTOs) are permitted to extend no different from any other world commercial enterprise. Interest rates are negotiable but are never below the ones referred to immediately above.

42. It is important therefore for Zimbabwe to reflect on many of the issues highlighted. There is no doubt that great potential exists for promoting and expanding trade with the Soviet Union, 13/ even if we have not touched on some of the problems in the transport sector. Equally important in discussions with the Foreign Trade Organizations of the USSR is that these institutions are made aware that mutual cooperation should not start from the point of their wanting to narrow the Soviet Union's economic gap at the expense of the Zimbabwean economy.

43. Given these circumstances it becomes evident to reiterate once more that both private and public Zimbabwean export firms will require to examine all possible available methods, necessary in introducing their export products in the Soviet market. For example:

13/ See ECA Propsects for Developing Trade between African Countries and the USSR and Major Market Opportunities, E/ECA/TRADE/90, Addis Ababa, 28 August 1987.

(a) Where a trade or economic agreement between Zimbabwe and the USSR exists, every effort should be made to have the Agreement revised to specifically include those export products with specific FTOs assuming that these Soviet enterprises are now able to operate more liberally under the "Radically Restructured Economic Management" and therefore free from interference from the top;

(b) Zimbabwean firms should promote their export products through the effective use of joint/mixed commissions but not overlooking the other side of the "equation" which implies the Soviet Union's own desire to bridge their declared economic gap;

(c) Zimbabwean firms should sponsor trade delegations from the USSR to acquaint them with Zimbabwean products as is the case with this Seminar held in conjunction with the current nation's Trade Fair; and

(d) The issue of credit and forms of settlement as well getting the goods to and from, deserves equal attention.

Table 1

Trends of Africa's and Zimbabwe's Trade

(value in millions of US dollars)

	1980	1981	1982	1983	1984	1985	1986
World							
Imports	2049780	2034650	1907893	1878706	1987234	2026982	2219708
Exports	1990568	1972439	1830879	1807880	1902043	1924406	2123118
Balance of Trade	-59213	-62210	-77015	-70827	-85191	-102576	-96590
Developing Africa							
Imports 1/	74615	85957	75814	68817	62836	61044	62198
(Zimbabwe)	(1290)	(1472)	(1430)	(1052)	(959)	(969)	(985)
Exports	94632	75985	66011	61270	62251	61060	57923
(Zimbabwe)	(1423)	(1406)	(1273)	(1128)	(1003)	(1053)	(1019)
Balance of Trade	20017	-9972	-9803	-7547	-585	16	-4275
(Zimbabwe)	(132)	(-67)	(157)	(77)	(44)	(84)	(34)

Sources: (i) UN Monthly Bulletin of Statistics January 1988.
(ii) UN Monthly Bulletin of Statistics November 1987.
(iii) UN Monthly Bulletin of Statistics August 1987.
(iv) UN Monthly Bulletin of Statistics May 1984.
(v) UN Monthly Bulletin of Statistics August 1983
(vi) UN 1985 International Trade Statistics Yearbook Volume I 1987.
(vii) ECA Statistics Data base.

1/ Imports f.o.b.

Table 2

Year to Year Changes(Growth Rates)of Trade: Africa and Zimbabwe

(per cent)

	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86
IMPORTS						
World	0.7	-6.2	1.5	5.8	2.0	9.5
Developing Africa	15.2	11.8	9.2	8.7	-2.9	1.9
Zimbabwe	14.1	-2.8	-26.4	-8.8	1.0	1.6
EXPORTS						
World	-0.9	-7.2	1.3	5.2	1.2	10.3
Developing Africa	-19.7	-13.1	-7.2	1.6	-1.9	-5.1
Zimbabwe	1.2	9.4	-11.4	-11.1	5.0	-3.2

Source: Derived from Table 1.

Table 3

Selected Portion of Zimbabwe's Direction of Trade Flow

(US$ million)

	1980	1981	1982	1983	1984	1985	1986
World	1414.8	1407.9	1275 7	1012 5	1010.7	1112.7	999.5
Centrally planned economies	.	59.7	10.2	36.3	51.3	80.0	67.3
% Centrally Planned	...	4.2	0.8	3.6	5.1	7.2	6.7
Specifically USSR (%)	...	0.5	0.1	.			1.9

Source: IMF. Direction of Trade Statistics 1987.

Symbols used:

... = data not available

. = negligible